

**TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Covington, Louisiana**

**FINANCIAL STATEMENTS
and
AUDITOR'S REPORT**

JUNE 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **AUG 27 2014**

Independent Auditor's Report	1 - 3
Required Supplemental Information – Part 1	
Management's Discussion and Analysis	5 -6
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements— Governmental Funds	
Balance Sheet and Reconciliation of the Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balance	11
Reconciliation of the Balance Sheet (Governmental Funds) to the Statement of Activities (Governmental Activities)	12
Notes to Financial Statements	13–19
Required Supplemental Information – Part II	
Budgetary Comparison Schedule – General Fund	21
Budgetary Comparison Schedule – Special Revenue Fund	22
Schedule of Governing Board	23
Other Reports	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25 –26

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INDEPENDENT AUDITOR'S REPORT

Mr. John W. Linder, II, District Public Defender
Twenty-Second Judicial District
Public Defender Office
Covington, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twenty-Second Judicial District Public Defender Office as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and aggregate remaining fund information of the Twenty-Second Judicial District Public Defender Office as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 and 6 and the Budgetary Schedules on pages 21 and 22 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013, on our consideration of the Twenty-Second Judicial District Public Defender Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Twenty-Second Judicial District Public Defender Office's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Ronald L. Lavy, CPA". The signature is written in a cursive style with a large, stylized "R" and "L".

Covington, Louisiana
November 15, 2013

REQUIRED SUPPLEMENTAL INFORMATION – PART 1
MANAGEMENT'S DISCUSSION AND ANALYSIS

**TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE**

**Management's Discussion and Analysis
June 30, 2013**

Our discussion and analysis of the financial performance of the Twenty Second Judicial District Public Defender Office (the Organization) provides an overview of our financial activities for the year ended June 30, 2013. Financial highlights follow:

Financial Highlights

- The Organization's net assets decreased by \$328,852 (a decrease of 37%) as a result of a combination of a decrease in revenues and an increase in expenses. Support from the Louisiana Public Defender Board's District Assistance Fund and CINC Representation Fund decreased by \$249,864. However, revenues from local government sources increased by \$149,737, thereby resulting in an overall decrease of \$100,127.
- For the year, the Organization had operating and non-operating expenses that were \$328,852 greater than the \$2,469,910 in operating revenue. Although operating expenses were increased by only \$17,174 compared to last year, the decline in revenue weighed upon the consumption of reserve funds for continued operation. Net Position decreased by \$321,267 to \$536,363 at year end.
- Interest income remained low as interest rates continued at historically low levels. They are expected to remain low due to current federal monetary policy.
- State legislation has increased the Public Defender Office's share of court fees (except Mayor's court) from \$35 to \$45. This revenue enhancement significantly increased local revenue.
- Revenue streams from the Louisiana Public Defender Board (District Assistance Funds and CINC Representation Funds only) by fiscal year deposits are as follows:

1. 2009-2010	\$1,089,211	Base Year
2. 2010-2011	\$1,434,201	31% increase from prior year
3. 2011-2012	\$1,278,301	12% decrease from prior year
4. 2012-2013	\$1,028,437	19% decrease from prior year

Using this Annual Report

This annual report consists of a report on the general financial highlighted statements (above), a general report on the entity performance as a whole, and an activities statement on contributing factors affecting the Organization's past and future financial conditions. Other supporting financial statements and comments are enclosed as components to the annual audit as presented by our auditor.

Reporting on the Organization as a Whole

The payroll related structure for the Organization is prepared on an average of 93% of total expenditures coming from direct and indirect payroll related expenses for staff personnel, part-time contract attorneys for the Child In Need of Care (CINC) Adult program personnel, and from contract attorneys by case conflict panel attorneys. The staffing levels were maintained and enhanced to provide improvements to both the Capital and Life Without Benefit of Parole weighted cases.

**TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE**

**Management's Discussion and Analysis
June 30, 2013**

An effort was made during the year to introduce team management concepts and to energize the organizational culture towards achieving our mission. Predictable and sustainable funding remains a historic contest for planning and implementing end strength development within the client investigation and representation arenas. The Louisiana Public Defender Board is in the process, as of the date of this report, of launching a new DAF scheme statewide for the 2015 fiscal year that is expected to address this issue.

The Organization Activities

The 22nd Judicial District Public Defender Office and the District Public Defender continue to address the local needs of the public defender system within St. Tammany and Washington Parishes. Thirty-seven statutory employees (twenty attorneys and seventeen support staff) and eight part-time contract attorneys are employed to address the mission of the Public Defender Office. This compares to thirty-six staff personnel and nine part-time contract attorneys the prior year. Expansion of contracted services has allowed for some modest payroll savings while targeting specific court needs without the costs associated with staffing. Future planned conflict office model in 2014-2015 will additionally contribute to more efficiency in delivering services to clients identified as a conflict of interest. With less than 50 employees and the deferred rollout of the employer mandate under the Affordable Care Act cost impacts and subsidies availabilities are not known at this time for inclusion as an impact item.

Contacting the Organization's Financial Management

This financial report is designed to provide our citizens, customers and other interested parties with a general overview of the Organization's finances and to demonstrate the Organization's finances and accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Organization's administrative officer at (985) 892-5002.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash - Unassigned	\$ 435,836
Accounts Receivable	92,525
Probation Fees Receivable - Net of Allowance of \$1,215,048	57,717
Capital Assets - Net of Accumulated Depreciation of \$47,565	<u>12,507</u>
TOTAL ASSETS	<u>\$ 598,585</u>
LIABILITIES	
Accounts Payable	\$ 8
Accrued Payroll Liabilities	4,497
Deferred Revenue - Felony Probation Fees	<u>57,717</u>
TOTAL LIABILITIES	<u>\$ 62,222</u>
NET POSITION	
Investment in Capital Assets	\$ 12,507
Restricted	-
Unrestricted	<u>523,856</u>
TOTAL NET POSITION	<u>\$ 536,363</u>

The accompanying footnotes are an integral part of these financial statements

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2013

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Awards	Governmental Unit
FUNCTIONS/PROGRAMS				
Governmental Activities:				
PUBLIC DEFENDER	\$ 2,791,177	\$ 1,138,822	\$ 1,128,437	\$ (523,918)
Total Governmental Activities	<u>\$ 2,791,177</u>	<u>\$ 1,138,822</u>	<u>\$ 1,128,437</u>	<u>(523,918)</u>
General Revenues:				
Shared Revenues				192,060
Interest and Investment Earnings				1,696
Other Income				<u>8,895</u>
				<u>202,651</u>
Change in Net Position				(321,267)
Net Position - June 30, 2012				<u>857,630</u>
Net Position - June 30, 2013				<u>\$ 536,363</u>

The accompanying footnotes are an integral part of these financial statements.

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
BALANCE SHEET and RECONCILIATION OF THE BALANCE
SHEET TO THE STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Funds</u>
ASSETS	
Cash - Unassigned	\$ 435,836
Accounts Receivable	92,525
Probation Fees Receivable - Net of Allowance of \$1,215,048	<u>57,717</u>
TOTAL ASSETS	<u>\$ 586,078</u>
LIABILITIES	
Accounts Payable	\$ 8
Accrued Payroll Liabilities	4,497
Deferred Revenue - Felony Probation Fees	<u>57,717</u>
TOTAL LIABILITIES	<u>62,222</u>
FUND BALANCES	
Assigned Fund Balance	
Unassigned Fund Balance	<u>523,856</u>
TOTAL FUND BALANCES	<u>523,856</u>
TOTAL LIABILITIES and FUND BALANCES	<u>\$ 586,078</u>
RECONCILIATION OF THE BALANCE SHEET TO TO THE STATEMENT OF NET POSITION	
Total Fund Balances - Balance Sheet (Governmental Funds)	\$ 523,856
Capital Assets used in Governmental Activities that are not a Financial Resource	<u>12,507</u>
Total Net Position - Statement of Net Position (Governmental Activities)	<u>\$ 536,363</u>

The accompanying footnotes are an integral part of these financial statements

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Total
REVENUES			
Court Cost, Fees & Charges	\$ 1,072,013	\$ -	\$ 1,072,013
Share Revenues	192,060	-	192,060
Intake Fees	66,809	-	66,809
Grants & Awards			
Judicial District Court	100,000	-	100,000
State of Louisiana	-	1,028,437	1,028,437
Interest Income	1,696	-	1,696
Miscellaneous Income	8,895	-	8,895
TOTAL REVENUES	<u>1,441,473</u>	<u>1,028,437</u>	<u>2,469,910</u>
EXPENDITURES			
Salaries, Wages & Fringes	1,171,050	879,544	2,050,594
Contract Attorney Fees & Costs	406,146	148,893	555,039
Capital Outlays	11,067	-	11,067
Rent	15,087	-	15,087
Travel	21,828	-	21,828
Continuing Education	3,033	-	3,033
Insurance	32,802	-	32,802
Law Library	26,351	-	26,351
Office Supplies & Expenses	33,119	-	33,119
Accounting & Audit	9,800	-	9,800
Telephone & Utilities	29,811	-	29,811
Other Operating Expenses	10,231	-	10,231
TOTAL EXPENDITURES	<u>1,770,325</u>	<u>1,028,437</u>	<u>2,798,762</u>
CHANGES IN FUND BALANCE	(328,852)	-	(328,852)
FUND BALANCE - June 30, 2012	<u>852,708</u>	<u>-</u>	<u>852,708</u>
FUND BALANCE - June 30, 2013	<u>\$ 523,856</u>	<u>\$ -</u>	<u>\$ 523,856</u>

The accompanying notes are an integral part of these financial statements

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF NET ACTIVITIES
For the Year Ended June 30, 2013

Changes in Fund Balance - Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (328,852)
Capital Outlays Expensed in the Statement of Revenue, Expenditures and Changes in Fund Balance	11,067
Depreciation Expensed in the Statement of Activities	<u>(3,482)</u>
Change in Net Position	<u>\$ (321,267)</u>

The accompanying notes are an integral part of these financial statements

TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1. Summary of Significant Accounting Policies

The Twenty-Second Judicial District Public Defender Office (the Organization) operates under Act 307 implemented August 15, 2007. The Organization provides counsel to represent indigent (needy individuals) in criminal cases at the District level. The Organization encompasses the parishes of Washington and St. Tammany, which are located in the State of Louisiana.

The Organization is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. A State of Louisiana Public Defender Board governs the Louisiana Public Defender Office.

Revenues to finance the Organization's operations are provided primarily from court costs on fines imposed by the various courts within the District and from State revenues received through either annual distributions or targeted program funding from the Louisiana Public Defender Office.

Basis of Presentation

The accompanying basic financial statements of the Twenty-Second Judicial District Public Defender Office have been presented in conformity with governmental accounting standards generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for using a current financial resources measurement focus. Only current assets and current liabilities are generally included in this measurement focus on the balance sheet. The operating statement represents increases and decreases in net current assets.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Organization. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital

TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds.

Fund Financial Statements (FFS)

The Organization uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of the Organization are classified as governmental and special revenue. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Organization or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

Reporting Entity

For financial statement reporting purposes, the Organization is a part of the district court system of the State of Louisiana. However, the state statutes that create the Organizations also give each of the Organizations control over all of their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Organization is financially independent and operates independently from the district court system. The financial statements include only the transactions of the Organization.

Governmental Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The Organization uses two funds to report the Organization's financial position and the results of operations. The general fund reports all transactions of the organization other than those funds to be used for a purpose specified by law or agreement. A special revenue fund (grant fund) reports all transactions for grant money.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for using a current financial resources measurement focus. Only current assets and current liabilities are generally included in this measurement focus on the balance sheet. The operating statement represents increases and decreases in net current assets. The general fund uses the following practices in recording revenues and expenditures:

Revenues - Court costs on fines and forfeitures imposed by the district and city courts are recorded in the year they are collected by the contributing agencies. Fees from indigents are recorded when received. Interest income is accrued when earned. All other revenues and grants are recorded when earned.

TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

Expenditures – Expenses, other than payroll, are generally recognized when paid. Payroll liabilities are recognized when the related liability is incurred. Operating and non-operating liabilities are recorded when significant or material.

Budget Policies

The Organization is required by law to adopt an annual budget. The Organization adopted and prepared a budget for the general fund and the special revenue fund on the modified cash basis of accounting for the year ended June 30, 2013.

This budget is presented with these financial statements in the supplementary section of the report on pages 21 and 22.

This budget was integrated into the accounting records and employed as a management control device. Budget and actual financial performance are presented to the Louisiana Public Defender board in an annual and respectively monthly basis for corresponding balance sheet and income/expense performances. The Organization does not use encumbrance accounting and appropriations lapse at the end of each year.

Cash

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Organization may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Probation Fees Receivable

Receivables for probation fees are fees imposed by the courts as a condition of probation and are reported net of uncollectible amounts. Traditionally, collection of these fees is highly questionable. Accordingly, the amounts collected are treated as deferred revenue.

Grants

The Organization's major grants are reported as special revenue in a special revenue fund. These two grants are from the Louisiana's Public Defender Office's District Assistance Fund and CINC Representation Fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Compensated Absences

The Organization's employees earn varying amounts of vacation and sick leave each year. Employees cannot accrue sick leave or vacation leave past December 31st of each year. Unused accrued vacation (maximum of ten days) is paid at December 31st.

TWENTY -SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

At termination, employees may be paid for unused vacation; however, sick leave is forfeited.

Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the Public Defender Office may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Public Defender Office may invest in United States bonds, treasury notes, or treasury bills. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at their fair market value.

Capital Assets

All fixed assets of the Organization are recorded at historical costs. Depreciation of all exhaustible fixed assets is charged as an expense against their operations.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The Organization capitalizes equipment and furniture in excess of \$500. The following estimated useful lives and methods are used to compute depreciation:

Furniture, Fixtures and Equipment	7 - 10 Years	Straight Line
Computers	5 - 10 Years	Straight Line

Depreciation expense amounted to \$3,482 for the year ended June 30, 2013.

Subsequent Events

The subsequent events of the Public Defender Office were evaluated through the date the financial statements were available to be issued which is November 15, 2013.

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2013:

Demand Deposits (book balances)	\$ 435,836
Certificates of Deposits	<u>- 0 -</u>
Total Cash and Cash Equivalents	<u>\$ 435,836</u>

TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 2. Cash and Cash Equivalents (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2013, the Organization has \$488,051 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 in federal deposit insurance, and \$1,189,622 (collateral value) of pledged securities held by the custodial bank (Federal Reserve Bank) in the name of the fiscal agent bank (GASB Category 3).

Note 3. Capital Assets

The Organization's furniture and fixtures consist of the following for June 30, 2013:

	Beginning Balance	Additions	Retirements	Ending Balance
Furniture and Fixtures	\$ 49,005	11,067	(0)	\$60,072
Less: Accumulated Depreciation	(44,083)	(3,482)	(0)	(47,565)
Net Fixed Assets	\$ 4,922	7,585	-0-	\$12,507

Note 4. Concentrations

The majority of revenue earned by the Organization comes from the Parish of St. Tammany and the City of Slidell in the form of court costs.

Note 5. Operating Lease

On January 1, 1999, the Office entered into a lease in Washington Parish for office space. The lease is non-cancelable with an option to lease the building until December 2005, with monthly payments of \$900. There were two renewal periods - each with a five-year term. This space is now rented on a month to month basis. Rent expense for this space totaled \$10,800 for the year ended June 30, 2013.

On October 1, 2008, the Office entered into a lease in St. Tammany Parish for office space. The lease is non-cancelable with an option to lease the building until September 30, 2012, with monthly payments of \$1,429. Rent expense for this space totaled \$4,287 for the year ended June 30, 2013. This lease was not renewed and the Office moved into space provided by St Tammany Parish.

Total rent expense for the year was \$15,087.

TWENTY -SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 5. Operating Lease (Continued)

Additionally, the Office in March 2010 leased a copy machine for the Covington office for 60 months at \$181 per month and in September 2012 leased a copy machine for the Franklinton office for 60 months at \$180 per month. Total payments made under these leases during the year were \$4,285.

Future minimum payments under these leases are as follows:

June 2014	\$ 4,322
June 2015	\$ 3,783
June 2016	\$ 2,154
June 2017	\$ 2,154
June 2018	\$ 172

Note 6. Government Fund Revenues & Expenditures

For the year ended June 30, 2013, the major sources of governmental fund revenues and expenditures were as follows:

	<u>Governmental Fund Revenues</u>
State Government	
Grants	\$ 1,028,437
Local Government	
Grants	100,000
On-Behalf Payments	1,264,073
Other	<u>-0-</u>
Total	1,364,073
Charges for Services	66,809
Investment Income	1,696
Miscellaneous Income	<u>8,895</u>
Total Revenues	<u>\$ 2,469,910</u>

TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 6. Government Fund Revenues & Expenditures - Continued

	<u>Governmental Fund Expenditures</u>
Personnel Services and Benefits	
Salaries	\$ 1,683,105
Insurance	220,024
Payroll Taxes	<u>147,465</u>
Total	2,050,594
Professional Development	
Dues, Licenses and Registrations	3,033
Travel	6,927
Other	<u>0</u>
Total	9,960
Operating Costs	
Library & Research	26,351
Contract Services - Attorney	535,977
Contract Services - Other	28,862
Lease - Office	15,087
Travel - Transportation	14,901
Insurance	32,802
Supplies	25,483
Repairs and Maintenance	3,351
Utilities and Telephone	29,811
Other	<u>14,516</u>
Total	727,141
Capital Outlay	<u>11,067</u>
	<u>\$ 2,798,762</u>
Total Expenditures	

REQUIRED SUPPLEMENTAL INFORMATION – PART II

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2013

	<u>Budget Amount</u>	<u>Actual</u>	<u>Budget Variance</u>
REVENUES			
Court Cost, Fees & Charges	\$ 1,081,258	\$ 1,072,013	\$ (9,245)
Share Revenues	191,781	192,060	279
Intake Fees	53,146	66,809	13,663
Interest Income	2,004	1,696	(308)
Miscellaneous Income	8,533	8,895	362
Grants & Awards			
Judicial District Court	100,000	100,000	-
State of Louisiana	-	-	-
TOTAL REVENUES	<u>1,436,722</u>	<u>1,441,473</u>	<u>4,751</u>
EXPENDITURES			
Salaries, Wages & Fringes	1,171,858	1,171,050	(808)
Contract Attorney Fees & Costs	371,306	406,146	34,840
Capital Outlays	11,383	11,067	(316)
Rent	15,087	15,087	-
Travel	22,478	21,828	(650)
Continuing Education	2,278	3,033	755
Insurance	32,688	32,802	114
Law Library	26,102	26,351	249
Office Supplies & Expenses	25,723	33,119	7,396
Accounting & Audit	9,800	9,800	-
Telephone & Utilities	35,601	29,811	(5,790)
Other Operating Expenses	6,629	10,231	3,602
Other Expenses	-	-	-
TOTAL EXPENDITURES	<u>1,730,933</u>	<u>1,770,325</u>	<u>39,392</u>
CHANGES IN FUND BALANCE	<u>\$ (294,211)</u>	<u>(328,852)</u>	<u>\$ (34,641)</u>
FUND BALANCE - June 30, 2012		<u>852,708</u>	
FUND BALANCE - June 30, 2013		<u>\$ 523,856</u>	

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Budgetary Comparison Schedule - Special Revenue Fund
 For the Year Ended June 30, 2013

	<u>Budget Amount</u>	<u>Actual</u>	<u>Budget Variance</u>
REVENUES			
Grants & Awards			
State of Louisiana	\$ 1,028,437	\$ 1,028,437	\$ -
TOTAL REVENUES	<u>1,028,437</u>	<u>1,028,437</u>	<u>-</u>
EXPENDITURES			
Salaries, Wages & Fringes	879,544	879,544	-
Contract Attorney Fees & Costs	<u>148,893</u>	<u>148,893</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,028,437</u>	<u>1,028,437</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>\$ -</u>		<u>\$ -</u>
FUND BALANCE - June 30, 2012		<u>-</u>	
FUND BALANCE - June 30, 2013		<u>\$ -</u>	

**TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE**

**Schedule of Governing Board
June 30, 2013**

Louisiana Public Defender Office

James T. Dixon, Jr
State Public Defender

Louisiana Public Defender Board
500 Laurel Street, Suite 300
Baton Rouge, LA 70801

OTHER REPORTS

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GLENN A. DUMUN, C.P.A.

**MEMBER
AMERICAN INSTITUTE OF CPA'S
SOCIETY OF LOUISIANA CPA'S**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. John W. Linder, II, District Public Defender
Twenty-Second Judicial District
Public Defender Office
Covington, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twenty-Second Judicial District Public Defender Office as of, and for the year ended June 30, 2013, and the relate notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 15, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Twenty-Second Judicial District Public Defender Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Twenty-Second Judicial District Public Defender Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Second Judicial District Public Defender Office's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

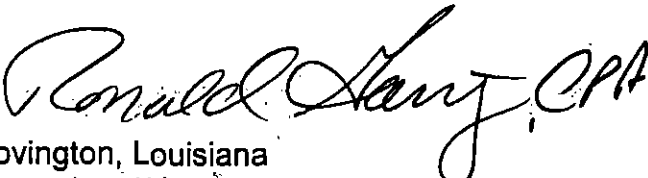
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Twenty-Second Judicial District Public Defender Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.


Covington, Louisiana
November 15, 2013